



*Sussex County
Council*

PRESS RELEASE

SUSSEX COUNTY COUNCIL - FISCAL 2004 AUDIT REPORT

JANUARY 25, 2005

Today, January 25, 2005, the accounting firm of Jefferson, Urian, Doane & Sterner, P.A., Certified Public Accountants, presented the Audited Financial Statements for Fiscal 2004 to the Sussex County Council. The auditors released an unqualified report noting that the financial statements “present fairly, in all material respects, the respective financial position” of Sussex County, Delaware, as of June 30, 2004.

During Fiscal Year 2004, Sussex County's General Fund experienced an excess of revenues over expenditures and other financing sources and uses of \$11,422,090. This is the fourteenth consecutive year that the County's General Fund has had a positive financial result. The undesignated fund balance represents a healthy level of 20 percent of General Fund Fiscal 2005 budgeted expenditures.

Robert Stickels, Sussex County Administrator, stated he is pleased with the report. “The \$11.4 million will be beneficial in allowing the County Council to invest

in programs to benefit Sussex County taxpayers. Based on the fact that for the fourteenth consecutive year the County has finished in a positive cash position, the County Council may be able to, again, provide the property owners of Sussex County a tax credit on the General Fund portion of property taxes. The Budget Committee is recommending 14 programs to receive funding from the FY '05 excess revenue.” These programs range from \$50,000 for the CHEER Centers to \$2.6 million for County sewer projects. Funding is also recommended for a new and larger Emergency Operations Center, Open Space purchases, County Airport expansion, a new Easter Seals Center, and County library projects.

Fiscal 2004 Financial Report Highlights

- County AA bond rating by Standard & Poor’s was maintained, “reflecting consistently strong financial performance and management continuity”
- County non-sewer and water debt maintained at zero level – capital improvements funded on a pay-as-you-go basis
- Cumulative total of \$1,713,000 was set aside for pensioner post-employment benefits
- Revenues from real estate transfers and new construction were strong. Per the U. S. Census Bureau, the value of new housing construction in Sussex County exceeded that for the individual states of Rhode Island, North Dakota, the District of Columbia, and Montana for 2004, as of November 30, 2004.
- Sewer and water hookups increased 6.3 percent to 47,788 EDU’s
- \$1.1 million was contributed toward the cost of a new Paramedic Station near Bridgeville. The seventh paramedic unit began service.
- Sewer Projects

- Ellendale Sewer – began operations with 290 hookups
 - Cedar Neck Sewer – hookups began April 2004; final completion July 2004; approximately 922 customers near the Indian River Bay
 - Oak Orchard Sewer – construction is underway to serve approximately 890 homes, also near Indian River Bay
 - Bay View Estates, Sea Country Estates, Millville, South Ocean View, Miller Creek, and Pinetown – in planning and design phases
 - \$24 million of bond proceeds from the State of Delaware and the United States Department of Agriculture were received for sewer project funding
 - \$7,600,000 in developer infrastructure contributions received for sewer expansion
 - Sewer and water district capital assets increased by a net amount of \$54.5 million
 - South Coastal Regional Wastewater Facility - \$20 million expansion and upgrade underway
 - The County purchased 2,083 acres of land for \$28.7 million to expand the Inland Bays Regional Wastewater Facility near Long Neck. This land will be used for sewer spray irrigation for Long Neck, Angola, Oak Orchard, and West Rehoboth sewer customers.
 - \$4.6 million was spent for land to expand the Piney Neck sewer spray irrigation facility to accommodate growth in the Dagsboro and Frankford areas.
- General Fund revenue exceeded expenditures and other financing sources and uses by \$11,422,090

Per David Baker, County Finance Director, "The Fiscal 2004 audit results are a reflection of the strong real estate market in Sussex County, as well as hard work by County staff to maintain cost controls, to provide funding for new projects, and to

keep current with increasing demands due to growth.” The County received a Certificate of Achievement for Excellence in Financial Reporting, presented by the Government Finance Officers Association of the United States and Canada, for its previous Fiscal 2002 and 2003 reports. This is the highest award that a government can receive for financial reporting. Mr. Baker stated he is optimistic that the County will receive the same recognition for this FY 2004 audit report.

County Council President Finley Jones stated, “On behalf of the County Council, I would like to compliment the County Administrator, Finance Director, and County staff for their management and hard work that has been a major factor in achieving the current financial position. I trust that the Council will consider a tax credit next year. While we are proud of the County’s financial position, we must recognize the County’s growing infrastructure needs and costs associated with growth.”

For further information, please contact Robert L. Stickels, County Administrator (302-855-7742), or David B. Baker, County Finance Director (302-855-7741). The complete report and other information is available on the County’s website at www.sussexcountype.gov.

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